

ELECTRONICALLY FILED - 2019 May 31 4:33 PM - SCPSC - Docket # 2018-318-E - Page 1 of 17

PETITION FOR RECONSIDERATION AND CLARIFICATION

ORS also respectfully requests the Commission to reconsider its finding that DEP's customers were sufficiently noticed of the kWh commodity charge ordered by the Commission. ORS requests that the Commission require DEP to provide revised notice to customers that the volumetric rates are higher than that noticed in many but not all customer rate schedules. ORS is not requesting a rehearing, but does support allowing affected customers the opportunity to request

a limited rehearing. If requested, a limited rehearing would solely address the issue of the resultant volumetric rates that are higher than noticed. The limited rehearing would provide impacted customers the opportunity to voice their concerns given the volumetric kWh charge for certain customer classes exceeds both DEP's existing rates as well as the rates noticed to its customers in its revised schedule. ORS believes that this procedure cures the notice defect as explained below.

ORS supports the Commission's decision; however, ORS is concerned that certain customer rate schedules are facing as much as a 40.47% increase in the volumetric rates over the charge noticed and requested. Exhibit 1 to this Petition delineates the current rate, the rate requested/noticed, the resulting rates, the percentage increase over what was noticed, and the number of customers impacted. ORS requests that the Commission reconsider its decision regarding the sufficiency of notice and that the Company be required to re-notice its customers of the increase in the Company's commodity rates and that these customers be provided the opportunity to request a limited rehearing.

A. Issues for Clarification

ORS petitions the Commission for clarification regarding: 1) DEP's allowable rate base and net income for return; 2) the Company's Cost of Service Study; 3) the total allowed recovery for compensation to Duke's top four executives, specifically CEO Lynn Good; 4) disallowance of the approximately \$178,000 in non-litigation non-allowable expenses that remained in dispute following the oral stipulation on the record between DEP and ORS; and 5) certain miscellaneous clarifications.

1. Rate Base and Net Income for Return

The Order does not make an express finding of a specific rate base for the Company or of an approved Net Income for Return. From a technical standpoint, a rate base is necessary to arrive

at the capital cost requirement to be included in the Company's cost of service. From a more practical standpoint, a rate base needs to be established in this case for use in the Company's next rate case. Establishing a rate base now also ensures that the issue will not need to be re-determined during the next rate case in the event that the parties individually calculate discordant rate bases. A rate base figure is necessary to audit and review of the Company's next rate case application.¹

Although there is an inferred rate base contained in the Commission Order, expressly stating the rate base provides transparency to customers and clarity for ORS, the Company, and the Commission in this and future proceedings. The Commission should set the rate base and then apply its finding regarding a fair rate of return to arrive at the Company's revenue requirement. ORS respectfully requests that the Commission clarify the Order by making a finding to establish a rate base as well as the net income for return of the Company.

2. Cost of Service Study and Methodology

The Order does not make a finding or conclusion regarding the Company's use of the Minimum System Method ("MSM"). The Order, on page 64, states: the Commission "need not reach that question [of whether to approve the use of the MSM] because no party objected to the specific BFC increases eventually proposed by ORS and accepted by the Company. This Commission need not rule on uncontested issues, and therefore will not here address the appropriateness or inappropriateness of the Minimum System Method in future cases." The Company, using this guidance from the Commission, has allocated its costs in its COSS using the MSM.

¹ ORS Audit Staff incorporated the ordered adjustments into ORS exhibit schedules using linking cells and fallout adjustment formulas in the KLM exhibits. After incorporating the ordered adjustments into these schedules, ORS was not able to reconcile its calculations with the ordered revenue requirement.

The Commission's Order only set the Basic Facilities Charge ("BFC") for three (3) rate schedules: a BFC of \$11.78 for residential customers; \$12.34 for Small General Service ("SGS") customers; \$11.31 for SGS Constant Load Customers. The Commission established a methodology for determining the BFC in a fourth class, resulting in an MGS BFC of \$21.35. However, there are nine (9) separate rate classes, each with numerous rate schedules that are all affected by the Company's COSS. The ORS requests the Commission confirm that for purposes of this rate case the COSS presented by the Company is to be used to allocate all revenues, expenses, and rate base items and to design rates for all customer classes, unless otherwise specified by the Commission.

3. Executive Compensation

ORS respectfully requests that the Commission clarify the total allowed recovery for compensation to Duke's top four executives and specifically for CEO Lynn Good. Page 107 of the Order "adopt[s] a 75% disallowance of the \$175,000 in South Carolina allocation of Duke Energy CEO Lynn Good's compensation, and . . . otherwise accept the Company's Adjustments #22 and #29." Based on DEP's response to ORS Audit Request 23-1, Lynn Good's total salary allocated to SC Customers is \$351,000.

Upon information and belief, ORS asserts that the South Carolina allocation of Ms. Good's salary may be derived based on the record from the night hearing transcripts, where Ms. Good's salary and its allocation were discussed. Through Company Adjustment #29, DEP voluntarily proposed a 50% disallowance of the South Carolina allocation of Ms. Good's salary, resulting after rounding in a South Carolina-retail allocation of \$175,000 .

ORS requests that the Commission clarify the amount of the allowance and disallowance of Ms. Good's salary. Removing 75% of \$351,000, results in a total allowance for Ms. Good's

salary of \$87,750 and in a downward adjustment to Company adjustment #29 of \$87,750, or \$88,000 after rounding. Company adjustment #29 provides for an adjustment of (\$304,000). (*See* Hr'g Ex. 14, p. 4 at line 29.) Accordingly, ORS submits that the total downward adjustment for executive compensation should be (\$392,000).

4. Non-Allowable Expenses (Adjustment #36)

ORS respectfully requests clarification as to the treatment of the approximately \$178,000 in non-litigation non-allowable expenses that remained in dispute following the oral stipulation on the record between DEP and ORS. (*See* Order No. 2018-341 at 80; *see also* Tr. pp. 1232-35 (“As a result of the stipulation reached with the Company, ORS proposes a non-allowable adjustment of approximately \$568,000, of which \$389,000 is related to litigation expenses.”) This amount consisted of non-stipulated types of employee awards, non-professional organizations dues, and one half of DEP’s chamber of commerce dues. (*See* Tr. pp. 1232-33.)

As the Commission Order shows, disallowing these types of expenses is firmly supported by the reasoning and conclusions of prior Commission orders. (*See* Order No. 2018-341 at 81 (collecting cases).) ORS submits that the Commission’s Order and the evidence of record supports the disallowance of the \$178,000 of non-allowable expenses that remained in dispute following the oral stipulation on the record between DEP and ORS and which are not coal ash litigation-related costs. ORS respectfully requests that the Commission update pages 106 to 107 of the Order to expressly reflect that this disallowance is just and reasonable and supported by the reliable, probative, and substantial evidence on the whole record and in the public interest.

5. Clarification of Deferrals

ORS supports the Commission Order regarding deferrals. However, the Order did not address the treatment of certain deferrals. Clarification on the specific treatment of these deferrals

would be helpful to both the Company and ORS. ORS requests the Commission clarify the allowance or disallowance and treatment of the following deferrals included in the Company's Application (*see generally* Application ¶¶42-47):

- (a) Customer Connect Deferral. On pages 91 and 107, the Order declares DEC accounting-order No. 2018-552 null and void. The correct DEP accounting-order is No. 2018-553.
- (b) AMI Deferral. The Order does not address the Company's request to continue the deferral. ORS does not believe that AMI costs are "extraordinary" such that this deferral should be granted. However, if the Commission accepts the deferral, ORS submits that it should be subject to the deferral treatment outlined in section IV.K of the Order.
- (c) Coal Ash Deferrals and Amortization. The Commission's Order does not address the Company's request to continue the deferral. The remainder of the coal ash deferral not specifically addressed in section IV.B of the Order, including the non-ARO amount, should be accorded the deferral treatment ordered by the Commission in section IV.K of the Order. ORS also respectfully submits that section IV.L of the Order should be entitled "Amortization Periods (Adjustments # 17, 18, 19, 35)" (emphasis added to show proposed change).
- (d) Grid Modernization Deferral. The Company and ORS entered into a stipulation prior to the hearing in this case which, in short, provided that the Company may defer certain costs of its Grid Modernization program. This

stipulation was approved in Hearing Officer Directive 2019-26H. The Order did not approve the Stipulation and the continuation of such deferrals.

ORS submits that all deferrals allowed in this proceeding should be booked in a manner consistent with the Commission's ruling regarding deferral treatment in the Order, section IV.K, by booking a weighted-average cost of capital return for capital-related costs only until otherwise ordered by the Commission.

B. Motion for Reconsideration – Sufficiency of Notice

In its Application, the Company stated that if its Petition was granted the average residential customer using 1,000 kWh of electricity each month would see an increase in their monthly bill of \$17.91. (Application p. 4, ¶8.) It also stated that it was requesting “an increase in the Residential Basic Facilities Charge (BFC) from \$9.06 to \$29.00 per month effective June 1, 2019.”² The Company did not notice certain classes customers of the potential increase in their volumetric rates.³ (See Application p. 5, ¶9.) Attached as Exhibit 2 is the Revised Notice that was noticed to customers and published.

The Revised Notice of Filing and Hearing sent to customers provides in part as follows:

A copy of the Company's Application, as well as the proposed rates, charges and tariffs may be obtained from the Commission at the following address: Public Service Commission of South Carolina, Clerk's Office, 101 Executive Center Drive, Suite 100, Columbia, South Carolina 29210. Additionally, the Application is available on the Commission's website at www.psc.sc.gov and is available from Heather Shirley Smith, Deputy General Counsel, Duke Energy Carolinas, LLC, 40 W. Broad Street, Suite 690, Greenville, South Carolina 29601; or Frank R. Ellerbe, III, Esquire, Robinson Gray Stepp & Laffitte, P.C., Post Office Box 11449, Columbia, South Carolina 29211. (emphasis added)

² On March 26, 2019, the Company filed a letter with the Commission stating that it agreed to accept the ORS Witness Seaman-Huynh's recommended BFCs of \$ 11.78 for residential customers, \$ 12.34 for SGS customers, and \$ 11.31 for SGS Constant Load customers. ORS filed a responsive letter with the Commission on March 29, 2019, in which it clarified that the BFCs in Mr. Seaman-Huynh's testimony were based on his proposed rate design methodology applied to ORS's recommended adjustments, producing the BFC rates contained in DEP's letter.

³ See Exhibit 1 (Rate classes RES, R-TOUD, SGS, and SGS-TOU-CLR only on notice of a volumetric decrease)

The Company's notice of the proposed rates, charges and tariffs were provided, as required by the Commission, as part of the Company's Application. (*See* S.C. Code Ann. § 58-27-870(A)). According to the United States Supreme Court,

the specific dictates of due process generally requires consideration of three distinct factors: First, the private interest that will be affected by the official action; second, the risk of an erroneous deprivation of such interest through the procedures used, and the probable value, if any, of additional or substitute procedural safeguards; and finally, the Government's interest, including the function involved and the fiscal and administrative burdens that the additional or substitute procedural requirement would entail.

Mathews v. Eldridge, 424 U.S. 319, 334–35, 96 S. Ct. 893, 902–03, 47 L. Ed. 2d 18 (1976)

Article I, Section 22 of the South Carolina Constitution imposes due process requirements on actions of South Carolina administrative agencies and states, “[n]o person shall be finally bound by a judicial or quasi-judicial decision of an administrative agency affecting private rights except on due notice and an opportunity to be heard[.]” The South Carolina Supreme Court has held that this provision guarantees persons the right to notice and an opportunity to be heard by administrative agencies. *Ross v. Med. Univ. of S.C.*, 328 S.C. 51, 492 S.E.2d 62 (1997). When addressing statutory notice, S.C. Code Ann. § 1-23-320(E) states, “[o]ppportunity must be afforded all parties to respond and present evidence and argument on all issues involved.” Additionally, S.C. Code Ann. § 1-23-320(I) states, “[f]indings of fact must be based exclusively on the evidence and on matters officially noticed.” (emphasis added)

Mullane v. Central Hanover Bank & Trust Co., 339 U.S. 306 (1950), approved of notice by publication in certain circumstances. The court in *Mullane* described the notice requirement of the due process clause as follows:

An elementary and fundamental requirement of due process in any proceeding which is to be accorded finality is notice reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections.

Interested parties must be given notice “reasonably calculated under all circumstances to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections.” *Blanton v. Stathos*, 351 S.C. 534, 542, 570 S.E.2d 565, 569 (2002) (citing *Mullane v. Cent. Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950); *Murdock v. Murdock*, 338 S.C. 322, 334, 526 S.E.2d 241, 248 (Ct. App. 1999)).

Rates noticed by the Company must not violate the due process rights of its customers. As ORS stated in its March 29, 2019, letter filed with the Commission, “to the extent the remaining revenue requirement is allocated to variable/volumetric component of rates, the increase could be higher than the variable/volumetric rates DEP noticed in its Application.” Under the circumstances of this proceeding, a due process violation occurred when the Company imposed rates on its customers that exceeded the maximum tariffed rates of which those customers were on notice. ORS does not challenge the facial sufficiency of the original notice; certainly many of the Company’s customers were aware of the rate proceeding, and numerous parties intervened. But the revised Notice offered the Company’s customers the ability to be heard only on *those* rates. The Revised Notice in no way foreshadowed the dramatic decrease in the BFC rates that the Company ultimately consented to, or most importantly, that the Company’s volumetric rates could or would exceed the values published in the Company’s Revised Notice. It is because the Revised Notice omitted meaningful information about how this case could (and ultimately) would affect them individually that certain customers were not afforded notice “reasonably calculated” to provide them the opportunity to be heard, as required by *Mullane* and related cases.

Applying the three-pronged test outlined in *Matthews* above indicates clearly that a due process violation occurred in this instance. First, significant private interests are affected by the Commission's Order. *See Porter v. SC PSC*, 338 S.C. 164, 167 (2000) (reversing circuit court determination that "notice was not required because the rate adjustments . . . were [] 'revenue neutral'"). Customers have a property interest in the rates they are charged. *See Hamilton v. Bd. of Trustees of Oconee Cty. Sch. Dist.*, 282 S.C. 519, 525, 319 S.E.2d 717, 721 (Ct. App. 1984) (a property interest established by "a legitimate claim of entitlement" under state law); *Porter*, 338 S.C. at 169-70 (requiring notice of the specific rates being considered for adjustment). Exhibit 1 indicates that, notwithstanding the impacts to other classes of customers the participants on the SGS-TOU-CLR rate will see their volumetric rate rise by 40.47% from the volumetric rate the Company noticed. Customers have different usage characteristics and the rate schedules and rate design put forward by the Company can have a significant financial impact on them.

Second, the risk of this deprivation is paramount to the Company's customers. The Night Hearings evidenced the dire straits in which many of the Company's customers find themselves. However, each of them was only aware of the increase sought by the Company pursuant to its notice. Third, the government has a significant interest in ensuring due process is maintained and adequate and accurate notice is required. Absent this, an applicant's notice becomes simply a piece of paper with no force and effect to adequately inform a customer of their interests that may be impacted in a proceeding.

Fundamentally, customers should not be faced with a rate or charge higher than that noticed. Our Supreme Court has recognized the importance of providing notice of an increase in one rate even where, due to other adjustments, the cumulative effect is "revenue neutral." *Porter*, 338 S.C. at 168-69. The *Porter* Court found that ratepayers were deprived of due process for

failure to receive adequate notice of a rate increase. The *Porter* Court found that “[t]aken as a whole, this notice is not informative and in fact somewhat misleading....We find the notice given was inadequate to satisfy the requirements of §58-9-530.” The Court held that Article I, §22 of the South Carolina Constitution applies to ratepayers through its provision that “[n]o person shall be finally bound by a judicial or quasi-judicial decision of an administrative agency affecting private rates except on due notice and an opportunity to be heard.” “[R]ate increases were ordered without adequate notice” violate in violation of due process.” 338 S.C. at 69-70, 525 S.E.2d 869.

A reasonable construction of relevant statutes also makes clear that ordered rates cannot exceed noticed rates. The South Carolina Administrative Procedures Act suggests as much when it requires that if a party is “unable to state, the matters in detail” that are to be litigated “at the time the notice is served” then later “a more definite and detailed statement must be furnished.” S.C. Code 1-23-320(B)(4). Title 58 Chapter 27 of the South Carolina Code provides additional support for the importance of meaningful notice to customers of how their interests are at stake in a proceeding. S.C. Code Ann. § 58-27-870(C) states, “...[i]f the commission rules and issues its order within the time aforesaid, and the utility shall appeal from the order, by filing with the commission a petition for rehearing, the *utility may put the rates requested in its schedule into effect* under bond only during the appeal and until final disposition of the case.”⁴ (emphasis added).

⁴ See Also S.C. Code Ann. § 58-27-860, “[w]henever an electrical utility desires to put into operation a new rate, it must give not less than thirty days’ notice of its intention to file with the commission and the Office of Regulatory Staff and must, after the expiration of the notice period, file with the commission and provide to the Office of Regulatory Staff a schedule setting forth the proposed changes. Copies of the schedule also must be given to other parties as the commission directs. Subject to the provisions of subsections (C) and (D) of Section 58-27-870, the proposed changes may not be put into effect in full or in part until approved by the commission.” When discussing annual fuel proceeding, S.C. Code Ann. § 58-27-865(C) requires, “[i]f the request is by an electrical utility for a rate increase, the commission shall direct the utility to send notice of the request and hearing to all customers with the

The cardinal rule of statutory construction is to ascertain and effectuate the intent of the legislature. *Charleston County Sch. Dist. v. State Budget and Control Bd.*, 313 S.C. 1, 437 S.E.2d 6 (1993). “A statute as a whole must receive a practical, reasonable, and fair interpretation consonant with the purpose, design, and policy of the lawmakers.” *Browning v. Hartvigsen*, 307 S.C. 122, 125, 414 S.E.2d 115, 117 (1992); *see also Georgia–Carolina Bail Bonds*, 354 S.C. at 22, 579 S.E.2d at 336 (“A statute should be given a reasonable and practical construction consistent with the purpose and policy expressed in the statute.”); *Municipal Ass’n of South Carolina v. AT & T Communications of S. States, Inc.*, 361 S.C. 576, 606 S.E.2d 468 (2004) (observing that the language of a statute must be read in a sense which harmonizes with its subject matter and accords with its general purpose).

To hold that noticed rates are not the ceiling of rates that can be charged would impair the statutes’ effectiveness, inhibit a customer’s ability to make an informed decision as to whether participation in the proceeding. Under that scenario, while all pertinent parties may be aware that a proceeding will occur, the Company does not have an obligation to make meaningfully inform customers of the purpose or stakes of the proceeding.

Accordingly, the Company should be required to revise its previous notice and publish a new notice that complies with the Order and provides adequate notice to all affected parties. *See Bldg. Owners & Managers Ass’n of Metro. Detroit v. PSC*, 131 Mich. App. 504, 509, 346 N.W.2d 581, 584 (1984), *aff’d*, 424 Mich. 494, 383 N.W.2d 72 (1986) (ordering proper notice be provided and leaving commission-ordered rate intact unless found to be unreasonable upon rehearing). If a hearing is thereafter requested, it should be scheduled to allow customers the opportunity to

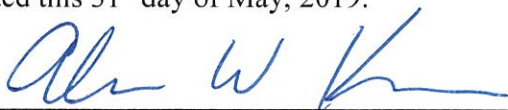
next billing, and if the commission grants the rate request subsequent to the request and hearing, the commission shall direct the utility to send notice of the amount of the increase or decrease to all customers with the next billing.”

participate and be heard on the sole issue of the revised rate schedule and increase in volumetric rates.

Conclusion

For the reasons stated herein, ORS respectfully requests the Commission require the Company to publish a new notice in accordance with the rates detailed in the Order and that the opportunity for limited rehearing on the volumetric rates be permitted.

Dated this 31st day of May, 2019.

A handwritten signature in blue ink, appearing to read 'Alex W Knowles', is written over a horizontal line.

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Rate		<u>Current kWh Rate</u> <u>(Application Ex. A)</u>	<u>Requested kWh Rate</u> <u>(Application Ex. B)</u>	<u>Ordered kWh Rate</u>	<u>Change from Requested</u> <u>to Ordered (Percent)</u>	<u>Average Number of</u> <u>Customers (DEP AIR</u> <u>Response 1-18(a)</u>
RES	First 800 kWh used per month	11.6370¢	11.3670¢	11.9380¢	5.02%	135,489
	All over 800 kWh used per month	10.6370¢	10.8670¢	10.9380¢	0.65%	
R-TOUD	on-peak	8.5440¢	8.4740¢	8.7540¢	3.30%	1,795
	off-peak	6.9940¢	7.3690¢	7.1240¢	-3.32%	
SGS	First 2,000 kWh used per month	12.2940¢	11.9170¢	12.8370¢	7.72%	24,800
	All over 2,000 kWh used per month	8.8320¢	8.5610¢	9.1840¢	7.28%	
MGS	all	7.6150¢	7.9810¢	7.6700¢	-3.90%	3,214
SGS-TOU	on-peak	6.6720¢	6.8690¢	6.7190¢	-2.18%	3,074
	off-peak	5.2870¢	5.7240¢	5.2960¢	-7.48%	
SGS-TES	on-peak	5.4320¢	5.6920¢	5.4310¢	-4.59%	0
	off-peak	5.2100¢	5.4590¢	5.2040¢	-4.67%	
LGS	all	5.5290¢	5.9940¢	5.6230¢	-6.19%	37
LGS-TOU	on-peak	5.3160¢	5.9210¢	5.4150¢	-8.55%	11
	off-peak	4.8160¢	5.4210¢	4.9150¢	-9.33%	
LGS-CUR-TOU	on-peak	4.9040¢	5.3340¢	4.9680¢	-6.86%	2
	off-peak	4.3560¢	4.7390¢	4.3950¢	-7.26%	
SGS-TOU-CLR	all	7.8520¢	5.9530¢	8.3620¢	40.47%	664

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

CLERK'S OFFICE

REVISED NOTICE OF FILING AND HEARING AND PREFILE DEADLINES

DOCKET NO. 2018-318-E

DUKE ENERGY PROGRESS, LLC –Application of Duke Energy Progress, LLC for Adjustments in Electric Rate Schedules and Tariffs

On November 8, 2018, Duke Energy Progress, LLC (“Duke Energy Progress” or the “Company”) filed an Application with the Public Service Commission of South Carolina (“Commission”) requesting authority to adjust and increase its retail electric rates, charges, and tariffs. The Application was filed pursuant to S.C. Code Ann. §§58-27-820 and 58-27-870 and S.C. Code Ann. Regs. 103-303 and 103-823.

In its Application, Duke Energy Progress seeks rate changes to increase annual revenues by 10.3% or \$59 million, to be updated to account for known and measurable expenses for grid investments of approximately \$5.1 million in 2020 and \$5.8 million in 2021. The Company states that recent work to modernize the electric system, generate cleaner power, responsibly manage and close coal ash basins, and continually improve service to customers have made it necessary to request a net increase in retail revenues. The Company’s request includes \$10 million in net tax benefits resulting from the Federal Tax Cuts and Jobs Act. The Company states in its Application that its request is driven by capital investments and environmental compliance progress made by the Company since its previous rate case, including the further implementation of the Company’s generation modernization program, which consists of retiring, replacing and upgrading generation plants; investments in customer service technologies; and the Company’s continued investments in base work to maintain its transmission and distribution systems. The Company states that its request includes an increase in revenues of approximately \$38 million for capital additions incurred since its last rate case through December 31, 2018.

The Company also requests approval of its proposed Grid Improvement Plan, approval of a Prepaid Advantage Program, and a variety of accounting orders related to ongoing costs for environmental compliance, advanced metering infrastructure deployment, grid investments between rate changes, and regulatory asset treatment related to the retirement of a generating plant located in Asheville, North Carolina. Finally, the Company seeks approval to establish a reserve and accrual for end of life nuclear costs for materials and supplies and nuclear fuel.

Duke Energy Progress requests that the proposed increases be effective on June 1, 2019. According to the Company’s proposal in the Application, a typical residential customer using 1,000 kWh will see an increase of approximately \$17.91 per month beginning with the rate effective date in this case, requested to be June 1, 2019, and then an increase of \$1.60 per month beginning June 1, 2020 and an additional \$1.81 per month beginning June 1, 2021, to incorporate costs for grid investments per the Grid Improvement Plan described in the Application. Page 19 of the Application describes the Grid Improvement Plan, which can be described, in part, as a long-term initiative built upon strategic, data-driven investments to improve reliability to avoid outages and speed restoration; harden the grid to protect against cyber and physical threats; and to expand solar and other innovative technologies across a two-way, smart-thinking grid. The Company proposes additional rate changes in 2020 and 2021 to reflect the remaining years of the multi-year plan, with costs captured in a regulatory asset for recovery between rate changes. Duke Energy Progress proposes an increase in the Residential Basic Facilities Charge from \$9.06 to \$29.00 per month effective June 1, 2019.

A copy of the Company's Application, as well as the proposed rates, charges and tariffs may be obtained from the Commission at the following address: Public Service Commission of South Carolina, Clerk's Office, 101 Executive Center Drive, Suite 100, Columbia, South Carolina 29210. Additionally, the Application is available on the Commission's website at www.psc.sc.gov and is available from Heather Shirley Smith, Deputy General Counsel, Duke Energy Progress, LLC, 40 W. Broad Street, Suite 690, Greenville, South Carolina 29601; or Frank R. Ellerbe, III, Esquire, Robinson Gray Stepp & Laffitte, P.C., Post Office Box 11449, Columbia, South Carolina 29211.

Any person who wishes to participate in this matter as a party of record should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **February 1, 2019**, by filing the Petition to Intervene with the Commission, by providing a copy to the Office of Regulatory Staff and by providing a copy to all parties of record. For the receipt of future Commission correspondence, please include an email address in the Petition to Intervene. ***Please refer to Docket No. 2018-318-E and mail a copy to all other parties in this docket.*** Any person who seeks to intervene and who wishes to testify and present evidence at the hearing should notify, in writing, the Commission; the Office of Regulatory Staff at 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and the company at the above address, on or before **February 1, 2019**. ***Please refer to Docket No. 2018-318-E.***

Any person who wishes to request that the Commission hold a public hearing in his or her county of residence in order to hear comments from the utility's customers should notify, in writing, the Commission at the address below; the Office of Regulatory Staff, at 1401 Main Street, Suite 900, Columbia, SC 29201; and the Company at the above address, on or before **February 8, 2019**.

PLEASE TAKE NOTICE that a hearing, pursuant to S.C. Code Ann. Regs. 103-817 and S.C. Code Ann. §58-27-870, on the above matter has been scheduled to begin on **Thursday, April 11, 2019, at 10:00 a.m.**, before the Commission in the Commission's Hearing Room at 101 Executive Center Drive, Suite 100, Saluda Building, Columbia, South Carolina 29210 for the purpose of receiving testimony and evidence from all interested parties. The hearing may continue through April 12, 2019, if necessary.

INSTRUCTIONS TO ALL PARTIES OF RECORD (Applicant, Petitioners, and Intervenors only): All Parties of Record must prefile testimony with the Commission and with all Parties of Record. Prefiled Testimony Deadlines: Other Parties of Record **Direct Testimony** Due: **3/4/2019**; Applicant's **Rebuttal Testimony** Due: **3/18/2019**; and Other Parties of Record **Surrebuttal Testimony** Due: **3/25/2019**. All prefiled testimony deadlines are subject to the information as posted on www.psc.sc.gov under **Docket No. 2018-318-E**.

For the most recent information regarding this docket, including changes in scheduled dates included in this Notice, please refer to www.psc.sc.gov and **Docket No. 2018-318-E**.

PLEASE TAKE NOTICE that any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments in person to the Commission during the hearing.

Persons seeking information about the Commission's procedures should contact the Commission at (803) 896-5100 or visit its website at www.psc.sc.gov.

11/28/18